

## Message Text

CONFIDENTIAL

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72

ORIGIN OPIC-01

INFO OCT-01 ARA-08 ADP-00 EB-03 SS-14 COME-00 AID-10 L-02

OMB-01 TRSE-00 FRB-01 H-01 NSC-10 CIAE-00 INR-09

NSAE-00 /061 R

66632

DRAFTED BY: GEORGE R COOPER, JR OPIC

APPROVED BY: E/IFD/OIA: KENNEDY

M MAYS, OPIC/GC

L GIRDLER, ARA/LA/BC

W COURTNEY, E/IFD/OIA

----- 038121

R 272237 Z MAR 73

FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO

C O N F I D E N T I A L STATE 056358

LIMDIS

FROM OPIC

E. O. 11652: GDS

SUBJECT: BANK OF AMERICA ( ARAUCO AND PETRODOW)

1. IN A MEETING WITH OFFICIALS OF B OF A ON MARCH 26, OPIC INFORMED THEM THAT IT WAS REJECTING THEIR INCONVERTIBILITY CLAIM BECAUSE OF THEIR INABILITY TO DELIVER AN ACCEPTABLE ESCUDO DRAFT TO OPIC. OPIC INDICATED, HOWEVER, THAT IT RECOGNIZED ITS INSURANCE OBLIGATIONS AND THAT CENTRAL BANK BLOCKAGE OF THE ARAUCO ESCUDO DEPOSIT MAY CONSTITUTE EXPROPRIATORY ACTION UNDER THE TERMS OF THE INSURANCE CONTRACT. CONSEQUENTLY, THEY WERE ADVISED THAT AN APPLICATION FOR RELIEF FOR EXPROPRIATORY ACTION FOR DEFAULTED PAYMENTS ON THE ARAUCO NOTE WOULD BE PROMPTLY CONSIDERED IF FILED WITH OPIC.

2. IN THE DISCUSSION OF WHERE WE GO FROM HERE, B OF A AGREED  
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TO STAY OUT FRONT IN NEGOTIATIONS WITH THE GOC. AS A FIRST  
STEP, B OF A WOULD CABLE THE CENTRAL BANK WITHDRAWING THEIR  
REQUEST FOR THE E 20 MILLION DRAFT, STATING THAT THEY ARE NO  
LONGER PROCEEDING WITH AN INCONVERTIBILITY CLAIM AGAINST OPIC.  
IT WAS FELT THAT THENEXT STEP WOULD BE  
FOR A SENIOR B OF A OFFICIAL, PROBABLY JAMES MILLER, V. P.  
SAN FRANCISCO, TO GO TO SANTIAGO FOR THE PURPOSE OF MEETING  
WITH THE GOC ON RESCHEDULING OF THE ARAUCO AND PETRODOW  
DOLLAR LOANS. AT THIS JUPRESENTATION  
FUNDS FOR SIMILAR PURPOSES.

6. DELEGATION APPRECIATES DLRS 500 ALLOTTED IN REFTEL  
B. IN RESPONSE TO OUR REQUEST IN REFTEL, WHICH SHOULD NOW BE  
ADEQUATE.  
SCHAUFEELE

UNCLASSIFIED

\*\*\* Current Handling Restrictions \*\*\* LIMDIS  
\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 MAR 1973  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** GEORGE R COOPER, JR OPIC  
**Enclosure:** n/a  
**Executive Order:** GDS  
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**Film Number:** n/a  
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**Handling Restrictions:** n/a  
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**Line Count:** 83  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN OPIC  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** LIMDIS  
**Reference:** n/a  
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**Review Authority:** golinofr  
**Review Comment:** n/a  
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**Secure:** OPEN  
**Status:** <DBA CORRECTED> jms 980105  
**Subject:** BANK OF AMERICA ( ARAUCO AND PETRODOW)  
**TAGS:** EINV, n/a  
**To:** SANTIAGO  
**Type:** TE  
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